



September 15, 2015

David Danner  
Chair  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Dr. SW  
Olympia, WA 98504-7250

Re: Docket UE-151500

Dear Chairman Danner:

We are writing to support and comment on the Utility and Transportation Commission (UTC) July 21, 2015 notice of Docket UE-151500, investigation of coal-fired generating unit decommissioning and remediation costs, specifically coal-fired facilities owned by Puget Sound Energy (PSE) and referred to as Colstrip Units 1 and 2.

King County and the Cities of Mercer Island, Kirkland, Issaquah, Redmond, Sammamish, Shoreline, and Snoqualmie are municipal customers that purchase large amounts of energy from PSE. In our cities and unincorporated King County, we represent more than half a million residents, the vast majority of whom are PSE customers. In recent years, about one third of the electricity supply for PSE customers has come from coal, mainly from Colstrip. As local governments, we have an interest in long-term predictability for electricity rates we pay to operate public buildings and facilities, and ultimately pass along to our constituents through rates and taxes. For example, King County, a provider of regional wastewater treatment, solid waste transfer and disposal, criminal justice, public health, parks, and transit services to more than 2 million county and city customers, purchases approximately \$10 million per year in electricity from PSE.

In 2014, King County and cities within the county adopted a shared goal to reduce countywide greenhouse gas (GHG) emissions 25 percent by 2020, 50 percent by 2030, and 80 percent by 2050. This goal was formalized by the Growth Management Planning Council through amendments to Countywide Planning Policies. Based on a recent technical analysis commissioned by King County and the member cities of the [King County-Cities Climate Collaboration](#) (K4C), reducing reliance on coal-based energy sources through improvements in energy efficiency and production of renewable energy is essential to meeting this goal. King County and many cities within the county also have climate and clean energy targets related to government operations that call for reducing coal-based energy usage.

Since the adoption of shared goals, King County and ten cities that are part of the K4C, a cohort that jointly represent more than 70 percent of King County's two million residents, have further committed to a package of commitments to achieve these shared goals. These *Joint County-City Climate Commitments* include partnering with local utilities, state regulators and other stakeholders to increase renewable electricity use by 20 percentage points by 2030, phase out coal-fired electricity sources by 2025 and limit construction of new natural gas based electricity power plants. This includes K4C work to assess clean energy options and to develop a package of County and City commitments that support increasingly renewable energy sources.

King County has partnered with PSE on major energy efficiency improvements in County-owned buildings and facilities, as well as on renewable energy projects at the Cedar Hills Regional Landfill and South Treatment Plant that reduce power demand and produce clean energy. Cities, including Mercer Island, Snoqualmie and Bellevue, have collaborated with PSE to develop solar energy projects, install energy efficiency improvements, and encourage PSE customers to purchase green power. The County and Cities share an interest in the orderly, but accelerated, transition away from coal-fired electricity and to meet local demand with renewable energy, energy storage, and efficiency. We would like to continue to pursue these initiatives in partnership with PSE.

In July 2013, King County and the Cities of Issaquah, Kirkland, Redmond, Snoqualmie, and Renton [submitted a joint comment letter](#) on PSE's Integrated Resource Plan (IRP), requesting that the IRP more fully incorporate environmental, public health, and financial impacts and risks of continued reliance on coal-fired electricity. The County and Cities continue to have an interest in understanding the full costs and risks to ratepayers associated with continued operation and retirement of Colstrip, including the costs of clean-up and remediation.

We appreciate the UTC's recently initiated "Investigation of coal-fired generating unit decommissioning and remediation costs (Docket UE-151500)". Responses to questions outlined in the proposed "Notice of Opportunity to File Written Comments" should provide greater clarity regarding the costs (and ultimately, the impacts to ratepayers) to permanently decommission and remediate Colstrip Units 1 and 2 at the end of their useful lives.

Given the older age of Units 1 and 2 and potential environmental liabilities associated with their past and continued operation, we support an initial focus for UTC investigation on these units; however, we hope that future UTC review will also address costs and risks of continued operation of Units 3 and 4.

We would recommend that the current investigation include not only an assessment of the relative risks and costs of continued operation of Colstrip Units 1 and 2 until the end of “their useful lives” but also an assessment of those same risks and costs under an accelerated timeline for decommissioning. For example, it is important to consider to what extent continued operation of these older units will create additional risks for clean-up costs borne by ratepayers. And how will the cost of continued operation of Colstrip be impacted by the EPA’s new Clean Power Plan requirements published on August 3, 2015?

Fundamentally related to the cost of decommissioning of Colstrip, and assessment of the relative costs and risks of different timeframes for decommissioning, is an assessment of the costs and impacts to ratepayers to replace power generation from Colstrip. Consistent with the K4C’s commitments, we request that the UTC review and assess the costs and ratepayer impacts to replace power from Colstrip with other sources, including increased energy efficiency, energy storage, and production of renewable energy. Similar issues and questions are outlined in Docket 151592, a petition for an Adjudicatory Proceeding Relating to the Prudency of Continued Investments in Colstrip Plan Units 1 and 2.

If the UTC’s investigation also assessed the relative costs and risks for different timeframes to decommission Colstrip 1 and 2 and the replacement of this power with energy efficiency, energy storage and renewable energy, the UTC and ratepayers will have greater certainty about impacts to ratepayers. This will enable us to make more informed decisions about if, how and when we will invest in our own clean energy projects.

We look forward to engaging further on and learning the results of the UTC’s current investigation.

Sincerely,

A handwritten signature in black ink that reads "Dow Constantine". The signature is fluid and cursive, with the first name "Dow" being more prominent.

Dow Constantine  
King County Executive

A handwritten signature in blue ink that reads "Bruce Bassett". The signature is cursive and somewhat stylized, with the first name "Bruce" being more prominent.

Bruce Bassett  
Mayor, City of Mercer Island



Fred Butler  
Mayor, City of Issaquah



Matthew Larson  
Mayor, City of Snoqualmie



Shari E. Winstead  
Mayor, City of Shoreline



John Marchione  
Mayor, City of Redmond



Amy Walen  
Mayor, City of Kirkland



Tom Vance  
Mayor, City of Sammamish

cc: Brian Thomas, UTC staff lead, Docket #151500